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BY THE U.S. GENERAL ACCOUNTING OFFICE

Supplement To A Fact Sheet For The Chairman,
Subcommittee On Commerce,
Consumer, And Monetary Affairs,
Committee On Government Operations,
House Of Representatives

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Information On The Extent Of Fully Insured Brokered Deposits In FDIC-Insured Institutions

GAO/GGD-86-15FS-S
December 1985

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

December 6, 1985

B-219069

The Honorable Doug Barnard, Jr.
Chairman
Subcommittee on Commerce, Consumer,
and Monetary Affairs
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

In response to your June 18, 1985, request, we are supplementing certain brokered deposit data, previously provided to you in a fact sheet entitled Information on the Extent of Fully Insured Brokered Deposits in FDIC-Insured Institutions, GAO/GGD-86-15FS, dated October 29, 1985. As you know, at that time the Federal Deposit Insurance Corporation (FDIC) had denied our request for bank ratings, preventing us from fully responding to your request. FDIC has recently provided us with sufficient bank rating information to complete your request. Thus, enclosed is the requested analysis based on the newly received bank rating data from FDIC.

In the original fact sheet, we provided aggregate figures for all national and state chartered FDIC-insured institutions. Breakdowns by ratings were provided only for national banks. We were able to obtain national bank data by using bank ratings supplied by the Office of the Comptroller of the Currency (OCC), which supervises only national banks. FDIC, however, maintains its own list of bank ratings for all FDIC-insured institutions. Because FDIC's ratings for some national banks differs from OCC's, the data presented here cannot be compared to previously presented figures in regard to the national bank data. Thus, it would be inappropriate to subtract national bank data in our original fact sheet from the data presented here to identify the extent of brokered deposits in state chartered institutions.

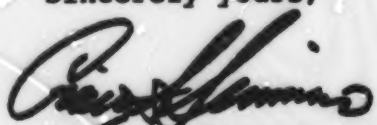
The brokered deposit data presented (except for response 1.c.) are based on the monthly brokered deposit reports for March 31 and June 30, 1985, filed with the Federal Deposit Insurance Corporation (FDIC) pursuant to the reporting requirements established in 12 CFR 304.4, Reporting Requirements on Deposits Placed by Deposit Brokers and Depository Institutions. The data provided in response 1.c. are based on March 31, 1985, Consolidated Reports of Condition and Income (Call reports) submitted by the same institutions which reported brokered deposits as of March 31. The data provided in response 3 is a comparison of figures from the two sources.

As you requested, all responses pertain only to those institutions reporting fully insured brokered deposits (not including fully insured deposits placed directly by depository institutions) equal to or greater than 5 percent of total deposits as of either the March 31 and/or June 30, 1985, brokered deposit reports. Three institutions which met your brokered deposit selection criteria were not included in responses 1.c. and 3. These institutions are domestic branches of foreign banks or they are savings banks chartered by the Federal Home Loan Bank Board, neither of which are required to file Call reports.

As you requested, the data are broken out between institutions rated 1 or 2, versus those rated 3, 4, or 5 on the CAMEL scale. The latter set of institutions are those categorized as troubled and problem institutions by the regulators. Data for eight institutions, which had not yet been rated because of recent chartering, are included with those for the institutions rated 1 or 2.

As arranged with your office, copies of this document are being provided to FDIC, OCC, the Board of Governors of the Federal Reserve System, and the Federal Financial Institutions Examination Council. Copies will also be available to other interested parties who request them. If you have any questions regarding the attached figures, I can be reached on 275-8678.

Sincerely yours,



Craig A. Simmons
Associate Director

RESPONSES TO THE SUBCOMMITTEE'S QUESTIONS ON FULLY INSURED BROKERED DEPOSITS IN FDIC-INSURED INSTITUTIONS
(Dollars in thousands)

1.a. NUMBER OF INSTITUTIONS REPORTING FULLY INSURED BROKERED DEPOSITS AS OF MARCH 31, 1985:[1]

-- rated 1 or 2, or not rated	68
-- rated 3, 4, or 5	79
Total	147

NUMBER OF INSTITUTIONS IN THESE GROUPS HAVING DEPOSITS IN EXCESS OF $1 BILLION:

-- rated 1 or 2, or not rated	7
-- rated 3, 4, or 5	7
Total	14

1.b. AGGREGATE DOLLAR AMOUNT OF FULLY INSURED BROKERED DEPOSITS REPORTED FOR MARCH 31, 1985:

-- rated 1 or 2, or not rated	$2,838,089
-- rated 3, 4, or 5	2,654,775
Total	$5,492,864

APPROXIMATE PROPORTIONS OF THESE AMOUNTS ACCOUNTED FOR BY INSTITUTIONS HAVING TOTAL DEPOSITS IN EXCESS OF $1 BILLION:

-- rated 1 or 2, or not rated	84%
-- rated 3, 4, or 5	75%
Total	80%

[1]Institutions reporting fully insured brokered deposits (not including fully insured deposits placed directly by depository institutions) equal to or greater than 5 percent of total deposits.

1.c. AGGREGATE DOLLAR TOTALS OF BROKERED DEPOSITS REPORTED ON THE CALL REPORTS FOR MARCH 31, 1985:

-- rated 1 or 2, or not rated	$2,899,498
-- rated 3, 4, or 5	2,589,196
Total	$5,488,694

APPROXIMATE PROPORTIONS OF THESE FIGURES ACCOUNTED FOR BY INSTITUTIONS HAVING TOTAL DEPOSITS IN EXCESS OF $1 BILLION:

-- rated 1 or 2, or not rated	86%
-- rated 3, 4, or 5	77%
	82%

AGGREGATE DOLLAR TOTALS OF BROKERED RETAIL DEPOSITS REPORTED ON THE CALL REPORTS FOR MARCH 31, 1985:

-- rated 1 or 2, or not rated	$1,714,748
-- rated 3, 4, or 5	1,462,243
Total	$3,176,991

APPROXIMATE PROPORTIONS OF THESE FIGURES ACCOUNTED FOR BY INSTITUTIONS HAVING TOTAL DEPOSITS IN EXCESS OF $1 BILLION:

-- rated 1 or 2, or not rated	81%
-- rated 3, 4, or 5	72%
Total	77%

2.a. NUMBER OF INSTITUTIONS REPORTING FULLY INSURED BROKERED DEPOSITS AS OF JUNE 30, 1985:

-- rated 1 or 2, or not rated	66
-- rated 3, 4, or 5	59
Total	125

NUMBER OF INSTITUTIONS IN THESE GROUPS HAVING DEPOSITS IN EXCESS OF $1 BILLION:

-- rated 1 or 2, or not rated	11
-- rated 3, 4, or 5	5
Total	16

2.b. AGGREGATE DOLLAR AMOUNT OF FULLY INSURED BROKERED DEPOSITS REPORTED FOR JUNE 30, 1985:

-- rated 1 or 2, or not rated	$5,180,408
-- rated 3, 4, or 5	2,114,723
Total	$7,295,131

APPROXIMATE PROPORTIONS OF THESE AMOUNTS ACCOUNTED FOR BY INSTITUTIONS HAVING TOTAL DEPOSITS IN EXCESS OF $1 BILLION:

-- rated 1 or 2, or not rated	93%
-- rated 3, 4, or 5	75%
Total	87%

3. COMPARISON BETWEEN THE AMOUNTS REPORTED FOR FULLY INSURED BROKERED DEPOSITS AND AMOUNTS REPORTED ON THE CALL REPORT FOR TOTAL BROKERED RETAIL DEPOSITS AS OF MARCH 31, 1985:

	Rated 1, or 2, or not rated	Rated 3, 4, or 5	Total
Same amount reported	33	32	65
Different amounts reported:			
--Reported fully insured brokered deposits but no brokered retail deposits	16	23	39
--Reported amounts on both reports, but the figures differed	18	22	40
Total	67	77	144

For the last category above, those institutions which reported amounts on both reports but the figures differed, the amount by which the Call report figures differed from the monthly brokered deposit report figures varied significantly.

	Rated 1 or 2, or not rated		Rated 3, 4, or 5	
	Percentage	Dollar	Percentage	Dollar
Range	.02% - 97%	1 - 135,340	.03% - 61%	2 - 643,837
Mean	31%	15,181	16%	30,762
Median	19%	634	9%	494

4. APPROXIMATE PROPORTIONS OF THE DOLLAR TOTALS REPORTED FOR FULLY INSURED BROKERED DEPOSITS ACCOUNTED FOR BY 3-RATED INSTITUTIONS:

March 31, 1985	8%
June 30, 1985	5%

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